TANDEM DIABETES CARE INC
Form 424B4
March 24, 2017
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Filed Pursuant to Rule 424(b)(4)
File No. 333-216531

PROSPECTUS

18,000,000 Shares

TANDEM DIABETES CARE, INC.

Common Stock

We are offering 18,000,000 shares of our common stock, par value $0.001 per share.

The offering price is $1.25 per share of common stock.

Our common stock is listed on the NASDAQ Global Market under the symbol TNDM.

We are an emerging growth company as defined under the federal securities laws and, as such, may continue to elect to comply with certain reduced public company reporting requirements in future reports.

Investing in our common stock involves a high degree of risk. Please read the section entitled Risk Factors beginning on page 13 of this prospectus.

	Per Share	Total
Public offering price	$1.25	$ 22,500,000
Underwriting discount[(1)]	$0.075	$ 1,350,000
Proceeds, before expenses, to us	$1.175	$ 21,150,000

(1) We refer you to the section entitled Underwriting beginning on page 154 of this prospectus for additional information regarding total compensation payable to the underwriters.

Kim Blickenstaff, our President, Chief Executive Officer and a member of our board of directors, is purchasing 1,600,000 shares of our common stock in this offering at the public offering price for an aggregate of $2.0 million.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Delivery of the shares of common stock is expected to be made on or about March 28, 2017. We have granted the underwriters an option for a period of 30 days to purchase an additional 2,700,000 shares of our common stock. If the underwriters exercise the option in full, the total underwriting discounts and commissions payable by us will be $1.6 million, and the total proceeds to us, before expenses, will be $24.3 million.

Sole Book-Running Manager

Piper Jaffray

Co-Managers

Oppenheimer & Co. **Wedbush PacGrow**

The date of this prospectus is March 23, 2017.

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In considering whether to purchase shares of common stock in this offering, you should rely only on the information contained in this prospectus and any free writing prospectus we file with the Securities and Exchange Commission, or SEC. We and the underwriters have not authorized

anyone to provide any information different from that contained in this prospectus or in any free writing prospectuses we have prepared. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the

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shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock.

TRADEMARKS

Our trademark portfolio includes 23 trademark registrations, including 10 U.S. trademark registrations and 13 foreign trademark registrations. All other trademarks or trade names referred to in this prospectus are the property of their respective owners. Solely for convenience, the trademarks and trade names in this prospectus are referred to without the ® and symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

INVESTORS OUTSIDE THE UNITED STATES

Neither we nor the underwriters have done anything that would permit this offering or the possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of shares of our common stock and the distribution of this prospectus outside of the United States.

MARKET AND INDUSTRY DATA AND FORECASTS

Certain market and industry data and forecasts included in this prospectus were obtained from independent market research, industry publications and surveys, governmental agencies and publicly available information. Industry surveys, publications and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying assumptions relied upon therein. Similarly, independent market research and industry forecasts, which we believe to be reliable based upon our management s knowledge of the industry, have not been independently verified. While we are not aware of any misstatements regarding the market or industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the section entitled Risk Factors beginning on page 13 of this prospectus.

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PROSPECTUS SUMMARY

This prospectus summary highlights certain information appearing elsewhere in this prospectus. As this is a summary, it does not contain all of the information that you should consider before making a decision to invest in our common stock. You are encouraged to carefully read this entire prospectus, including the information provided under the headings Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and the related notes, before investing in our common stock.

Unless otherwise stated in this prospectus, references to Tandem, we, us, our or the Company refer to Tandem Diabetes Care, Inc.

Overview

We are a medical device company with an innovative approach to the design, development and commercialization of products for people with insulin-dependent diabetes. We believe that our competitive advantage is rooted in our unique consumer-focused approach and proprietary technology platform. This allows us to deliver innovative hardware and software solutions to meet the various needs and preferences of people with diabetes and their healthcare providers. We manufacture and sell insulin pump products in the United States that are designed to address large and differentiated segments of the insulin-dependent diabetes market. Our insulin pump products include:

- the t:slim X2 Insulin Delivery System, or t:slim X2, our next-generation flagship product,
- the t:flex Insulin Delivery System, or t:flex, for people with greater insulin needs, and
- the t:slim G4 Insulin Delivery System, or t:slim G4, the first continuous glucose monitoring, or CGM, enabled pump with touchscreen simplicity.

From the launch of our first product in August 2012, through December 2016, we have shipped more than 50,000 pumps. For the past three consecutive years, our company and our products have been ranked #1 by insulin pump users in the United States for customer support, product features and ease of training in an independent survey by dQ&A, a leading diabetes research firm.

According to the Centers for Disease Control and Prevention, or CDC, in 2016, approximately 22 million people in the United States had diagnosed diabetes. Close Concerns, Inc., an independent consulting and publishing company that provides diabetes advisory services, or Close Concerns, estimated in 2015 that there are approximately 1.6 million people with type 1 diabetes in the United States and 1.7 million people with type 2 diabetes in the United States who require daily administration of rapid acting insulin. Our target market consists of the approximately 3.3 million people in the United States who require daily rapid acting insulin.

Our innovative approach to product design and development is consumer-focused and based on our extensive market research, as we believe the user is the primary decision maker when purchasing an insulin pump. Our market research consists of interviews, focus groups and online surveys to understand what people with diabetes, their caregivers and healthcare providers are seeking in order to improve diabetes therapy management. We also apply the science of human factors to our design and development process, which seeks to optimize our devices, allowing users to successfully operate our devices in their intended environment.

We developed our products to provide the specific features that people with insulin-dependent diabetes seek in a next-generation insulin pump. Our proprietary pumping technology allows us to design the

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slimmest and smallest durable insulin pumps on the market, without sacrificing insulin capacity. Our insulin pump platform features our patented Micro-Delivery technology, and a miniaturized pumping mechanism that draws insulin from a flexible bag within the pump s cartridge, rather than relying on a syringe and plunger mechanism. It also features an easy-to-navigate software architecture, a vivid color touchscreen and a micro-USB connection that supports a rechargeable battery, software updates through the Tandem Device Updater, and uploads to t:connect Diabetes Management Application, or t:connect. The Tandem Device Updater is a new tool that allows pump users to update their pumps software quickly and easily from a personal computer, and has the capability of providing our customers access to new and enhanced features faster than the industry has been able to in the past. We believe it is the only tool of its kind currently available. t:connect is our custom cloud-based data management application that provides customers and healthcare providers a fast, easy and visual way to display therapy management data from the pump and supported blood glucose meters.

We began commercial sales of our first insulin pump product, the t:slim Insulin Delivery System, or t:slim, in August 2012. During 2015, we commenced commercial sales of two additional insulin pumps: t:flex in May 2015 and t:slim G4 in September 2015. In October 2016, we commenced commercial sales of t:slim X2, and discontinued new sales of t:slim.

Since our initial commercial launch, we have leveraged our innovative technology platform and consumer-focused approach to expedite the product development cycle and drive our sales growth. This approach has allowed us to commercialize three additional insulin pumps that provide insulin therapy features for different segments of the diabetes market. In addition, we have expanded our sales, clinical and marketing infrastructure, which allows us to continue to provide strong service and support to our customers. We believe that by demonstrating our product benefits and the shortcomings of existing insulin therapies, as well as a consistently high level of customer support, more people will choose our insulin pumps for their therapy needs, allowing us to further penetrate and expand the market. We also believe we are well positioned to address consumers needs and preferences with our current products and products under development, as well as by offering customers a pathway to our future innovations through the Tandem Device Updater as they are approved by the U.S Food and Drug Administration, or FDA.

In the third quarter of 2016, we launched a Technology Upgrade Program that provides eligible t:slim and t:slim G4 customers a path towards ownership of a t:slim X2 by providing customers the right to exchange their t:slim or t:slim G4 for a t:slim X2, under a variable pricing structure. The Technology Upgrade Program expires on September 30, 2017.

For the years ended December 31, 2016, 2015 and 2014, our sales were $84.2 million, $72.9 million and $49.7 million, respectively. For the years ended December 31, 2016, 2015 and 2014, our net loss was $83.4 million, $72.4 million, and $79.5 million, respectively. For the year ended December 31, 2016, we recorded net sales deferrals of $4.3 million and recognized an additional net cost of sales of $0.3 million as a result of our Technology Upgrade Program. Our accumulated deficit as of December 31, 2016 was $404.6 million.

Our headquarters and our manufacturing facility are located in San Diego, California and we employed 591 full-time employees as of December 31, 2016.

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The Market

Diabetes is a chronic, life-threatening disease for which there is no known cure. The disease is categorized by improper function of the pancreas when it either does not produce enough insulin or the body cannot effectively use the insulin it produces. Insulin is a life-sustaining hormone that allows cells in the body to absorb glucose from blood and convert it to energy. As a result, a person with diabetes cannot utilize the glucose properly and it continues to accumulate in the blood. If not closely monitored and properly treated, diabetes can lead to serious medical complications, including damage to various tissues and organs, seizures, coma and death.

The International Diabetes Federation estimates that in 2015 approximately 415 million people had diabetes worldwide and that by 2040, this number will increase to 642 million people worldwide. According to the Center for Disease Control and Prevention, or CDC, in 2016 approximately 22 million people in the United States had diagnosed diabetes.

Our target market consists of approximately 3.3 million people in the United States who require daily administration of insulin, which includes approximately 1.6 million people with type 1 diabetes and approximately 1.7 million people with type 2 diabetes who require daily rapid acting insulin. Throughout this prospectus, we refer to people with type 1 diabetes and people with type 2 diabetes who require daily rapid acting insulin as people with insulin-dependent diabetes.

There are two primary therapies practiced by people with insulin-dependent diabetes, insulin injections and insulin pumps, each of which is designed to supplement or replace the insulin-producing function of the pancreas. Insulin injections are often referred to as multiple daily injection, or MDI, and involve the use of syringes or insulin pens to inject insulin into the person s body. Insulin pumps are used to perform what is often referred to as continuous subcutaneous insulin infusion, or insulin pump therapy, and typically use a programmable device and an infusion set to administer insulin into the person s body. Insulin pump therapy has been shown to provide people with insulin-dependent diabetes with numerous advantages relative to MDI therapy.

According to Close Concerns estimates in 2015, approximately 425,000 people with type 1 diabetes in the United States use an insulin pump, or approximately 27% of the type 1 diabetes population. In addition, approximately 125,000 people with type 2 diabetes in the United States use an insulin pump, or approximately 7% of the type 2 diabetes population who are insulin-dependent.

Insulin pump therapy can provide a person with insulin-dependent diabetes with benefits when used independently or in conjunction with CGM. A pump featuring integrated CGM is known as a sensor augmented pump, or SAP, which allows the pump to receive CGM data directly from a wearable sensor. SAPs may feature an automated insulin delivery, or AID, algorithm that is designed to automatically adjust a person s insulin delivery based on their CGM trends to help minimize the frequency and/or duration of hypoglycemia and/or hyperglycemic events.

We believe that the distinct advantages and increased awareness of insulin pump therapy as compared to other available insulin therapies will continue to generate demand for insulin pump devices and pump-related supplies. We also believe that the adoption of insulin pump therapy would have been even greater if not for the significant and fundamental perceived shortcomings of durable syringe-and-plunger insulin pumps currently available, which we refer to as traditional pumps.

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The Opportunity

Based on our research, we believe that the limited adoption of insulin pump therapy by people with insulin-dependent diabetes has been largely due to the shortcomings of traditional pumps currently available. These shortcomings include:

Antiquated style. While consumer electronic devices have rapidly evolved in form and function over the past decade, traditional pumps have not achieved similar advances. Our market research has shown that consumers believe traditional pumps resemble dated consumer technology, such as a pager, as they generally still feature small display screens, push-button interfaces, plastic cases and disposable batteries.

Not adaptable. Traditional pumps are typically sold as a single-product offering that are then iterated to add features, rather than being designed as a technology platform that is easily updatable to support new features and functionality as they are developed and approved by the FDA. We believe the lack of adaptability of traditional pump platforms has been a restricting factor in offering people with diabetes differentiated product features to best meet their therapy needs.

Bulky size. Our market research has shown that consumers view traditional pumps as large, bulky and inconvenient to carry or wear, especially when compared to modern consumer electronic devices, such as smartphones. The size of the pump further contributes to users being embarrassed by the pump.

Difficult to learn and teach. Traditional pumps often rely on complicated and outdated technology and are not intuitive to operate. Our research has shown that it can take several days to competently learn how to use traditional pumps, leading to frustration, frequent mistakes and additional training, each of which may discourage adoption.

Complicated to use. Traditional pumps are designed with linear software menus, which require the user to follow display screens sequentially, limiting their ability to access information within workflows or easily return to the starting point. Our research has shown that the complicated nature of the process can lead to confusion, frustration and fear of making mistakes with the pump, which in turn can limit the user s willingness to take advantage of advanced therapy features, or even discourage use entirely.

Pump mechanism limitations. Traditional pumps utilize a syringe and plunger mechanism to deliver insulin. This design limits the ability to reduce the size of the pump, and also potentially exposes the user to the unintended delivery of the full volume of insulin within the pump, which can cause hypoglycemia or death. Our research has shown that the fear of adverse health events due to technical malfunctions related to traditional pump mechanism limitations deters the adoption of insulin pump therapy.

We believe that these shortcomings of traditional pumps have limited the adoption of pump therapy. By addressing these issues, there is a meaningful opportunity to not only motivate MDI users to adopt pump therapy, but also to respond to the concerns and unmet needs of traditional insulin pump users.

Our Solution

We developed our proprietary technology platform using a consumer-focused approach by first utilizing extensive market research to ascertain what people with insulin-dependent diabetes require and prefer from their diabetes therapy. We then look to modern consumer technology for inspiration, and design our hardware and software solutions to meet those specific demands. Our development process then applies the science of human factors, which optimizes a device or system to the intended user through iterative usability and design refinement. This multi-step approach has resulted in products that provide users with the distinct product features they seek and in a manner that makes the features usable. We

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believe this approach is fundamentally different from the approach applied to the traditional medical device development process.

Our insulin pump products, which we believe address the shortcomings of traditional pumps, include:

Contemporary style. Our current products, as well as our products under development, have the look and feel of a modern consumer electronic device, such as a smartphone. Relying on significant consumer input and feedback during the development process, we believe the aesthetically-pleasing, modern design of our products addresses the embarrassing appearance-related concerns of insulin pump users. Key product features such as a high-resolution, color touchscreen with shatter-resistant glass, aluminum casing and rechargeable battery, make our products unique in the insulin pump market.

Adaptable platform. Our products share a pump form factor, as well as an updatable, easy-to-navigate software architecture combined with a touchscreen user interface. This enables us to offer differentiated features and functionality while on a shared technology platform, which allows us to leverage a single sales, marketing and clinical organization, as well as a shared manufacturing and supply chain infrastructure. Our insulin pumps are also compatible with the Tandem Device Updater, a new tool that allows pump users to update their pumps software quickly and easily from a personal computer. We believe the adaptability of our pump platform uniquely positions us to address the needs and preferences of people with insulin-dependent diabetes, and to do so quickly as those needs and preferences change and the functionality of our products evolves.

Compact size. With a narrow profile, similar to many smartphones, our products can easily and discreetly fit into a pocket. t:slim X2 and t:slim G4 are the slimmest and smallest durable insulin pumps on the market. The size and shape of our products are designed to provide increased flexibility with respect to how and where a pump can be worn. Based on extensive consumer input during development, we believe our products address both the embarrassment and functionality concerns related to the size and inconvenience of carrying a traditional pump.

Easy to learn and teach. Our technology platform allows for the use of a color touchscreen and easy-to-navigate software architecture, providing users intuitive access to the key functions of their pump directly from the Home Screen. Insulin pump users can quickly learn how to efficiently navigate their pumps software, thereby enabling healthcare providers to spend less time teaching a person how to use the pump and more time improving management of their diabetes. We believe the ease with which our pump can be learned and taught will help attract consumers who may have been frustrated or intimidated by traditional pumps.

Intuitive to use. Similar to what is found in modern consumer electronic devices, the embedded software displayed on our color touchscreen features intuitive and commonly interpreted colors, language, icons and feedback. Our software also features numerous shortcuts, including a simple way to return to the Home Screen and view critical information for therapy management. We believe these features also allow users to more efficiently manage their diabetes without fear or frustration.

Next generation technology platform. Our Micro-Delivery technology is unique compared to traditional pumps. Our technology is specifically designed to help prevent the unintentional delivery of insulin from the reservoir by limiting the volume of insulin that can be delivered to a person at any one time and to reduce fear associated with using a pump. Our technology allows us to reduce the size of the device as compared to traditional pumps, and is capable of delivering the smallest increment of insulin to users of any pump currently available.

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We believe our technology platform will allow our products to further penetrate and expand the insulin pump therapy market by addressing the specific product and technology limitations associated with traditional pumps that were raised by people with diabetes, their caregivers and healthcare providers. We also believe our technology platform provides us with the opportunity to address unmet needs in the insulin-dependent diabetes market, including the potential for further device miniaturization and advancements in AID.

Our Strategy

Our goal is to significantly expand and further penetrate the insulin-dependent diabetes market and become the leading provider of insulin pump therapy by focusing on both consumer and clinical needs. By continually conducting market research to determine what people with insulin-dependent diabetes desire from their insulin therapy, and by offering insulin pump products with different features and functionality, we believe we are uniquely positioned to provide a broad range of insulin pump products that allow us to address multiple segments of the diabetes market.

To achieve our goal, we intend to pursue the following business strategies:

Drive adoption of our products through our expanded sales, marketing and clinical infrastructure and multiple product offerings. We have achieved commercial success since the launch of our first commercial product by investing in the development of our sales, marketing and clinical infrastructure. We believe we are now in a position to leverage this infrastructure to increase our access to people with insulin-dependent diabetes, their caregivers and healthcare providers. We believe that our investment in this infrastructure, combined with the launch of additional product offerings through the same infrastructure and the marketing of new products to our existing customers, will drive continued adoption of our products.

Promote awareness of our differentiated products to consumers, their caregivers and healthcare providers. Our products were specifically designed to address the shortcomings of currently available technologies that we believe have limited the adoption of insulin pump therapy. We intend to broaden our direct-to-consumer marketing to promote the insulin therapy features and functionality offered by our products, as well as to leverage our sales, marketing and clinical infrastructure to cultivate relationships with diabetes clinics, insulin-prescribing healthcare professionals and other key opinion leaders. By promoting awareness of our products, we believe that we will attract users of other pump therapies and MDI to our products.

Advance our clinical activities to further demonstrate that use of our pump products may contribute to improved clinical outcomes. Recent studies suggest that use of our pump products may provide users with improved clinical outcomes, including improved overall glycemic control and reduced risk of hypoglycemia. We plan to continue to invest in clinical activities intended to demonstrate that the use of our pump products contributes to improved clinical outcomes.

Advance our platform of innovative, consumer-focused products to address the unmet needs of people in the insulin-dependent diabetes market. We believe that our proprietary technology platform allows us to provide the most sophisticated and intuitive insulin pump therapy products on the market. The Tandem Device Updater allows pump users to update their pumps software quickly and easily from a personal computer. We intend to leverage our technology platform to allow t:slim X2 users to update their pumps software to include CGM integration and AID algorithms. We intend to continue to explore further advancements in our technology platform to expand the features and functionality associated with our products in order to address different segments of the large and growing insulin-dependent diabetes market.

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Invest in our consumer-focused approach. We believe that our consumer-focused approach to product design, marketing and customer care is a key differentiator. This approach allows us to add the product features most requested by people with insulin-dependent diabetes. We will continue to apply the science of human factors throughout the design, development and continuous improvement of our products to optimize our products for intended users. We will also continue to invest in our consumer-focused approach throughout our business.

Broaden direct access to third-party payor reimbursement for our products in the United States. We believe that third-party reimbursement is an important determinant in driving consumer adoption of insulin pump therapy. We intend to intensify our efforts to encourage third-party payors to establish direct reimbursement for our products as we expand our market presence and product offerings. We also plan to participate in clinical studies to demonstrate the benefits of our products relative to other pump products and therapies as a way to gain support from third-party payors.

Leverage our manufacturing operations to achieve cost and production efficiencies. We manufacture our products at our headquarters in San Diego, California. We utilize a semi-automated manufacturing process for our pump products and disposable cartridges. During 2017, we intend to relocate our manufacturing operations to a new larger facility, which will allow us to expand our production capacity further by replicating our production lines and gaining efficiencies from the operation of a facility designed to maximize our manufacturing processes and workflows.

Selected Risk Factors

Our business is subject to numerous risks and uncertainties of which you should be aware before you decide to invest in our common stock. These risks may prevent us from achieving our business objectives, and may adversely affect our business, financial condition, results of operations and prospects. These risks are discussed in greater detail in the section entitled Risk Factors beginning on page 13 of this prospectus. Some of these risks include:

- We have incurred significant operating losses since inception and cannot assure you that we will achieve profitability;
- We currently rely on sales of insulin pumps to generate a significant portion of our revenue, and any factors that negatively impact sales of our insulin pump products may adversely affect our business, financial condition and operating results;
- We operate in a very competitive industry and if we fail to compete successfully against our existing or potential competitors, many of whom have greater resources than us, our sales and operating results may be negatively affected;
- The administration of the Technology Upgrade Program may result in unanticipated difficulties or costs, which may harm our financial condition or operating results;
- The Technology Upgrade Program has resulted in accounting complexities that may be difficult for investors to understand and may lead to confusion when comparing our historical and future financial results;
- Our ability to achieve profitability will depend, in part, on our ability to reduce the per unit cost of our products by increasing production volume and manufacturing efficiency, including by reducing raw material, labor, product-training, expected warranty and manufacturing overhead costs per unit;

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- The failure of our products to achieve and maintain market acceptance could result in us achieving sales below our expectations, which would cause our business, financial condition and operating results to be materially and adversely affected;

- Failure to secure or retain adequate coverage or reimbursement for our current products and our potential future products by third-party payors could adversely affect our business, financial condition and operating results;

- We will need to raise additional funds in the future. If these funds are not available to us, we will not have sufficient cash to fund our operations through December 31, 2017;

- Our ability to protect our intellectual property and proprietary technology is uncertain; and

- Our products and operations are subject to extensive governmental regulation, and failure to comply with applicable requirements could cause our business to suffer.

Implications of Being an Emerging Growth Company

We qualify as an emerging growth company as defined in the Jumpstart our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company:

- we are exempt from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002;

- we are permitted to provide less extensive disclosure about our executive compensation arrangements; and

- we are not required to give our stockholders non-binding advisory votes on executive compensation or golden parachute arrangements.

We may take advantage of these provisions until such time that we no longer qualify as an emerging growth company. We will cease to be an emerging growth company upon the earliest of: (i) December 31, 2018, (ii) the last day of the first fiscal year in which our annual gross revenues exceed $1.0 billion, (iii) December 31 of the fiscal year that we become a large accelerated filer as defined in Rule 12b-2 under the Securities Exchange Act of 1934, or the Exchange Act, which would occur if the market value of our common stock held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter , or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt during the preceding three-year period.

We may choose to take advantage of some but not all of these reduced burdens. We have taken advantage of reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different from the information you receive from our competitors that are public companies, or other public companies in which you have made an investment.

Recent Developments

Short-Term Liquidity

The audited financial statements included elsewhere in this prospectus were prepared assuming we would continue as a going concern. In the notes to these financial statements, we disclosed that: (i) we had incurred operating losses since our inception; (ii) we had an accumulated deficit of $404.6 million as of

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December 31, 2016, which included a net loss of $83.4 million for the year ended December 31, 2016; and (iii) we used $61.2 million in cash for operations in the year ended December 31, 2016, which exceeded cash and cash equivalents and short term investments of $53.5 million at December 31, 2016. Unless we successfully raise additional capital, whether in this offering or otherwise, these and other factors raise substantial doubt about our ability to continue as a going concern.

Corporate Information

We were incorporated in Colorado in January 2006 and reincorporated in Delaware in January 2008. Our principal executive offices are located at 11045 Roselle Street, San Diego, California 92121. The telephone number of our principal executive office is (858) 366-6900. Our website is *www.tandemdiabetes.com*. The information contained on or accessed through our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be a part of this prospectus or in deciding whether to purchase our common stock. References in this prospectus to our website are to inactive textual references only.

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The Offering

Issuer:	Tandem Diabetes Care, Inc.
Common stock offered by us:	18,000,000 shares
Common stock to be outstanding immediately after this offering:	49,095,598 shares
Option to purchase additional shares:	The underwriters have an option to purchase a maximum of 2,700,000 additional shares of common stock from us. The underwriters can exercise this option at any time within 30 days from the date of this prospectus.
Use of proceeds:	We will receive net proceeds from this offering of approximately $20.7 million, or $23.8 million if the underwriters fully exercise their option to purchase additional shares, based on an offering price of $1.25, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for working capital and other general corporate purposes. See the section entitled Use of Proceeds beginning on page 52 of this prospectus for additional information.
Risk factors:	Investing in our common stock involves risks. See the section entitled Risk Factors beginning on page 13 of this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
NASDAQ Global Market symbol	TNDM

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Kim Blickenstaff, our President, Chief Executive Officer and a member of our board of directors, is purchasing 1,600,000 shares of our common stock in this offering at the public offering price for an aggregate of $2.0 million. The shares purchased by Mr. Blickenstaff will be subject to the lock-up restrictions described in Shares Eligible for Future Sale.

The number of shares of our common stock to be outstanding after this offering is based upon 31,095,598 shares of common stock outstanding as of December 31, 2016, and excludes:

- 990,031 shares of common stock issuable upon exercise of outstanding warrants as of December 31, 2016, at a weighted average exercise price of $7.37 per share;
- 1,825,300 shares of common stock issuable upon exercise of outstanding options to purchase shares of common stock under our 2006 Stock Incentive Plan, or the 2006 Plan, as of December 31, 2016, at a weighted average exercise price of $2.48 per share (of which options to acquire 1,780,885 shares of common stock are vested as of December 31, 2016);
- 6,403,087 shares of common stock issuable upon exercise of outstanding options to purchase shares of common stock under our 2013 Stock Incentive Plan, or the 2013 Plan, as of December 31, 2016, at a weighted average exercise price of $10.09 per share (of which options to acquire 2,457,220 shares of common stock are vested as of December 31, 2016) and 562,282 shares that are reserved for future issuance under the 2013 Plan as of December 31, 2016;
- 78,459 shares of common stock reserved for future grant or issuance under our 2013 Employee Stock Purchase Plan, or the ESPP, as of December 31, 2016; and
- 1,937,890 shares of common stock issuable upon exercise of warrants issued to Capital Royalty Partners on March 7, 2017 at an exercise price of $2.35 per share, the closing price of our common stock on the NASDAQ Global Market on the issuance date.

On January 1, 2017, the number of shares of common stock reserved for issuance under the 2013 Plan automatically increased by 1,243,823 additional shares pursuant to the terms of the 2013 Plan, and the number of shares of common stock reserved for issuance under the ESPP automatically increased by 310,955 additional shares pursuant to the terms of the ESPP. These shares are also not included in the number of shares of common stock to be outstanding after this offering.

Unless otherwise indicated, this prospectus reflects and assumes the following:

- no exercise of the outstanding options and warrants described above; and
- no exercise by the underwriters of their option to purchase additional shares of our common stock.

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Summary Financial Data

The summary financial data presented below under the heading Statement of Operations Data for the years ended December 31, 2016, 2015 and 2014 and the selected financial data presented below under the heading Balance Sheet Data as of December 31, 2016 and 2015 have been derived from our audited financial statements included elsewhere in this prospectus. The selected statement of operations data for the years ended December 31, 2013 and 2012 and the balance sheet data as of December 31, 2014, 2013 and 2012 are derived from our audited financial statements not included in this prospectus.

The summary financial data presented below should be read in conjunction with, and is qualified in its entirety by reference to, the information included in the sections entitled Selected Financial Data and Management s Discussion and Analysis of Financial Condition and Results of Operations of this prospectus and our financial statements and the related notes included elsewhere in this prospectus. Our historical results for any prior period are not necessarily indicative of results to be expected in any future period.

Statement of Operations Data:

	Year Ended December 31,				
(in thousands, except per share data)	**2016**	**2015**	**2014**	**2013**	**2012**
Sales	$ 84,248	$ 72,850	$ 49,722	$ 29,007	$ 2,475
Cost of sales	60,656	46,270	34,474	22,840	3,823
Gross profit (loss)	23,592	26,580	15,248	6,167	(1,348)
Operating expenses:					
Selling, general and administrative	82,834	78,621	75,121	44,522	22,691
Research and development	18,809	16,963	15,791	11,079	9,009
Total operating expenses	101,643	95,584	90,912	55,601	31,700
Operating loss	(78,051)	(69,004)	(75,664)		